BUDGET RESOLUTION/Conference, Passage

SUBJECT: Conference report to accompany the House Concurrent Budget Resolution for fiscal years (FYs) 2001-2005 ... H.Con. Res. 290. Agreeing to the conference report.

ACTION: CONFERENCE REPORT AGREED TO, 50-48

SYNOPSIS: The conference report to accompany H.Con. Res. 290, the House Concurrent Budget Resolution for fiscal years 2001-2005: will set total outlays for FY 2001 at \$1.835 trillion and total revenues at \$2.005 trillion; will cut the debt held by the public (money that the Government owes to creditors other than itself) by \$170 billion in FY 2001 and by \$996 billion over the next 5 years; will fully fund Medicare (all of the President's proposed \$14 billion in Medicare provider cuts were rejected); will set aside \$40 billion for FYs 2001-2005 in a reserve fund for legislation to comprehensively reform Medicare while providing seniors with a prescription drug benefit; will fully protect the Social Security surpluses from being spent; will ensure a non-Social Security budget surplus for the third year in a row; will provide for \$11.6 billion in tax relief for FY 2001 and \$150 billion over the next 5 years; will adhere to the FY 2001 discretionary caps of \$578 billion in outlays but will establish a mechanism to adjust these statutory caps to \$624 billion; and will enact new budget protections to limit the Government's ability to increase spending. Key details are provided below.

Social Security protection. Social Security will have total surpluses of \$976 billion over the next 5 years. Those surpluses will be protected from being spent by the enactment of a "lockbox" in the Senate that will make it out of order to consider any budget resolution that assumes an on-budget deficit in any year. At the end of a year, if Congress determines that deficit spending occurred (and thus used part of the Social Security surpluses), it will be required to reduce discretionary spending in its next budget resolution by an equal amount. It will take a three-fifths majority (60) vote to waive this lockbox protection. The lockbox protection will not apply during a recession or when a declaration of war is in effect.

Debt Reduction. For most of the past 30 years the Federal Government has spent more money than it has collected in all taxes, including payroll taxes. To spend that extra money it has borrowed money by selling Treasury notes. That borrowed money is called debt held by the public. Under this budget, debt held by the public will decline from \$3.6 trillion to \$2.5 trillion by the end of FY

(See other side)

| YEAS (50) | | | NAYS (48) | | | NOT VOTING (2) | |
|---|--|-----------------------|--------------------------------|---|--|--|-----------------------------|
| Republicans Democrats (50 or 93%) (0 or 0%) | | Republicans (4 or 7%) | Democrats (44 or 100%) | | Republicans | Democrats (1) | |
| | | | | | (1) | | |
| Abraham Allard Ashcroft Bennett Bond Brownback Bunning Burns Campbell Cochran Collins Coverdell Craig Crapo DeWine Domenici Enzi Fitzgerald Frist Gorton Gramm Grams Grams Grassley Gregg Hagel | Hatch Helms Hutchinson Hutchison Inhofe Kyl Lott Lugar Mack McConnell Murkowski Nickles Roberts Santorum Sessions Shelby Smith, Bob Smith, Gordon Snowe Stevens Thomas Thomas Thompson Thurmond Voinovich Warner | | Chafee Jeffords McCain Specter | Akaka Baucus Bayh Biden Bingaman Boxer Breaux Bryan Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Edwards Feingold Feinstein Graham Harkin Hollings Inouye | Johnson Kennedy Kerrey Kerry Kohl Landrieu Lautenberg Leahy Levin Lieberman Lincoln Mikulski Murray Reed Reid Robb Rockefeller Sarbanes Schumer Torricelli Wellstone Wyden | EXPLANAT 1—Official H 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired | nced Yea nced Nay Yea |

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2005. If this path is maintained, debt held by the public will be completely eliminated by 2013.

Tax relief. Reconciliation instructions in a budget resolution direct authorizing committees to suggest changes to direct (mandatory) spending and revenues in order to meet the assumed revenue and spending levels. In this case, two reconciliation bills will be considered in the Senate to provide tax relief totaling \$150 billion through FY 2005. All of that relief, which will be sufficient to address the marriage penalty tax, to provide increased health care access to the uninsured, to adopt small-employer tax relief, and to expand educational opportunities, will be provided out of the projected non-Social Security surpluses.

Senate spending restraint. Proposed emergency spending will have to meet certain criteria; a point of order will lie against emergency spending that does not meet the criteria; that point of order will be waivable by a three-fifths majority (60) vote; the point of order will not apply for proposed emergency defense spending. A firewall against transferring funds between defense and nondefense programs will be created; it will take a three-fifths majority vote to violate that firewall. The firewall will not apply if a declaration of war is in effect. If Congress fails to pass tax relief or if it fails to provide a Medicare prescription drug benefit and pay for Medicare reforms, then the funds reserved by this resolution for those purposes will be used for additional debt reduction. A three-fifths majority point of order will be created against approving total advance appropriations in excess of \$23.5 billion. A three-fifths majority point of order will be created against approving delayed obligations (with exceptions).

Function priorities. In addition to overall totals, budget resolutions contain totals for broad function categories. They do not dictate the amounts to be spent on specific programs, but they are based on assumptions of spending levels. Key assumptions are noted below. Defense spending will be increased by nearly \$20 billion in budget authority (BA) in FY 2001 to \$309.9 billion. Outlays will be \$296.7 billion. A special subsistence allowance will be passed for those members of the Armed Forces who are eligible to receive Food Stamp aid (see vote No. 61). Department of Education spending will be increased by 30 percent (\$10 billion) in FY 2001 to \$45.6 billion. An additional \$5.4 billion in FY 2000 funds will be provided to meet Administration funding requests related to the conflicts in Kosovo and East Timor, Colombia international narcotics intervention, and Hurricane Floyd disaster assistance. Transportation programs will be fully funded. Veterans health care spending will be increased by \$1.4 billion in FY 2001. Funding will be increased for the enforcement of existing laws against the criminal use of firearms (see vote No. 74). NIH funding will be increased by \$1.1 billion (for related debate, see vote No. 73). Revenues will be gained from oil and gas leasing in the Arctic National Wildlife Refuge (for related debate, see vote No. 58).

Reserve funds. Reserve funds have usually been included in budget resolutions either to approve the consideration later in the year of tax-and-spend proposals by Democrats or tax relief-spending cut proposals by Republicans. Without reserve funds, such proposals are subject to 60-vote points of order. Reserve funds in this resolution include the following: a \$40 billion reserve fund for Medicare reforms and to pay for a Medicare prescription drug benefit; a reserve fund for payment in lieu of taxes (PILT) payments; an agriculture aid reserve fund; and a reserve fund for military retiree health care.

Key sense-of-the-Senate statements. Marriage penalty tax relief legislation should be considered by April 15 (see vote No. 53). Gas taxes should not be reduced (see vote No. 57). The cost disparity between identical prescription drugs sold in the United States, Canada, and Mexico should be reduced or eliminated. Federal funds will not be used for construction related to tobacco outlets (see vote No. 63). The Government should not directly invest Social Security surpluses in private financial markets. Congress' first education priority should be to fund its share of the costs of the Individuals With Disabilities Education Act (see vote No. 72). The minimum wage should be increased in a manner that will not harm businesses or cost jobs (see vote No. 75). Veterans health care funding will be increased by \$1.4 billion in FY 2001.

Key sense-of-Congress and sense-of-the-House statements. Congress should enact legislation to consolidate 31 Federal kindergarten through twelfth grade (K-12) education programs, and not less than 95 percent of all funds appropriated for Federal K-12 programs should be spent on children in their classrooms. Disabilities education funding should be increased by at least \$2 billion in FY 2001. Federal auditors have identified \$19 billion in improper payments made last year by certain Federal agencies, and the Federal Government should act to reduce such waste, fraud, and abuse.

Those favoring passage contended:

We enthusiastically support this budget resolution conference report. It will completely protect Social Security, set aside \$40 billion for Medicare reforms and for a Medicare prescription drug benefit, provide \$150 billion in tax relief, and provide large spending increases for defense, education, health research, and other high-priority areas. Further, it will balance the budget and will retire the debt at such a high rate that, if continued, the debt held by the public will be completely eliminated by 2013.

Those opposing passage contended:

This resolution will increase funding for some programs that we support, but it also will require huge cuts in other areas that should not be cut. Overall, the conference report is worse than the bill that passed the Senate because particular spending increases that were agreed to by amendment in the Senate were rejected by conferees. This resolution will cut spending in order to pay for huge, risky tax breaks for rich Americans. We oppose cutting funds for needed government services in order to help rich people. Therefore, we oppose this budget resolution.